

Rule Title/Name: Oil and Gas Sector NSPS Reconsideration

Rulemaking Stage: NPRM

Next ADP Milestone: Early Guidance 12/15/17, will focus on Policy Issues

Action Requested: Attend the briefing

Summary of the Issues Important to OECA: This a reconsideration of the current rule for new sources of air emissions in the oil and gas sector (NSPS OOOOa). OAR is expected to split this rulemaking into two parts:

- 1) Policy Issues - Tier 1 – Propose and Final by April 2019
 - a. Regulation of Methane as a Greenhouse Gas (GHG)
 - b. Designation of Source CategoryDoes OECA have a role in the decision to regulate methane?
- 2) Technical Issues – Tier 3 – Propose by March 2018 and Final by Summer 2018
 - a. Reconsideration of fugitive monitoring provisions, well site pneumatic pump standards and professional engineer certification for closed vent system design capacity
 - b. Other technical issues relating to implementation, standards and monitoringWill the “down-tier” impact outcomes important to OECA?

We anticipate that OECA will have a stake in the Tier 3 rulemaking regarding the technical issues, specifically each of the three provisions under reconsideration:

- 1) Fugitive monitoring at low production wells
OECA Issue:
 - a. Ensure clear applicability for the term “low production well;”
 - b. Ensure that “wear” components and higher leak rate components (e.g. thief hatches and pressure relief devices (PRDs)) are addressed;
- 2) Well-site pneumatic pump standard
OECA Issue:
 - a. Preserve professional engineer certification and evaluate option for owner/operator engineer certification; and
- 3) Professional engineer certification requirement of closed vent system design capacity
OECA Issue:
 - a. Preserve professional engineer certification and evaluate option for owner/operator engineer certification.

In addition to these specific issues, down-tiering the Technical Issues to Tier 3 limits OECA’s ability to prevail on topics of interest to us.

Key Points of AA Briefing History and Status of OECA’s Concerns: This is the first briefing for this rule. OECA staff are still discussing issues at the workgroup level.

Environmental Problem Being Addressed by the Rule and How: The rule is a reconsideration of the 2016 rulemaking for the same source category and pollutants.

The currently promulgated NSPS was developed under section 111 for the control of criteria pollutants which endanger human health and the environment. The rule also controls emissions of methane, a

potent greenhouse gas. The rule addresses the environmental problem through the administration of “best system of emissions reduction” which results in the setting of a performance standard. Where performance standard cannot be set due to technical reasons, a work practice standard was set (e.g. fugitives monitoring).

Rule Effectiveness Concepts Being Considered: The rule is a reconsideration of the prior rule which incorporated rule effectiveness concepts including third party certifications. These requirements are under reconsideration.

Size of Regulated “Universe”: TBD

OECA Workgroup Member:

Ginny Sorrel (OCE/AED)

John Gregory (OCEFT/LCD)

Marcia Mia (OC/MAMPD)

Tier __1__, SAN: __5719.8__

Related Rulemakings: SAN 5710.10 & 5719.11 – “Oil and Gas Sector NSPS – Limited Stay of Certain Requirements”

Background

- June 3, 2016 - EPA published a final rule titled “Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources; Final Rule,” at 81 FR 35824. The 2016 NSPS OOOOa establishes new source performance standards (NSPS) for greenhouse gas emissions and volatile organic compound (VOC) emissions from the oil and natural gas sector.
- April 4, 2017 - EPA announced that it would review the 2016 NSPS OOOOa and, if appropriate, initiate reconsideration proceedings to suspend, revise, or rescind the rule, in accordance with the President’s March 28, 2017 Executive Order focused on national energy independence, economic growth, and the rule of law.
- April 2017 - EPA announced it would reconsider:
 - the requirements for fugitive emissions regarding:
 - low production well sites; and
 - the process and criteria for requesting and receiving approval for the use of an alternative means of emissions limitation for purposes of compliance with the fugitive emissions requirements
 - the requirements for certification of closed vent system (CVS) by a professional engineer (PE), and
 - the requirements for well site pneumatic pumps
- June 16, 2017 - EPA proposed to stay the fugitive emissions requirements, the well site pneumatic pump standards, and the requirement for certification of CVS by a PE for two years (after the date of publication of the final stay rule in the Federal Register). The EPA held a public hearing on the stays and received more than 440,000 public comments that the Agency will respond to in the final stay rule. The related stay is SAN 5719.9 and 5719.10.
- November 1, 2017 – EPA receives a request under the Freedom of Information Act (FOIA) from Environmental Defense Fund (EDF) for “All Records Related to Reporting Required by 40 C.F.R. Part 60 Subpart OOOOa”.
- November 8, 2017 – Two Notices of Data Availability (NODAs) related to the Agency’s proposed stays of certain requirements in the 2016 New Source Performance Standards for the oil and natural gas industry are published in the Federal Register, with a 30 day comment period. The information provided in the NODAs falls into two categories: challenges to implementing the requirements in the 2016 rule that would be covered by proposed stays; and the Agency’s legal authority to issue a stay. EPA also provided an updated analysis of cost savings, forgone benefits and net benefits of the proposed two-year stay.
- November 14, 2017 – Administrator Pruitt receives a letter signed by nine environmental groups asking for a 30 day extension to the comment period for the NODAs. The letter also requests that “all annual compliance reports submitted by operators of oil and natural gas facilities” be made public.
- November 21, 2017 – EPA receives a request under FOIA from the Attorney General (AG) of California, co-signed by the AGs from CO, MA, IA, OR, VT, DC and the City of Chicago, IL for “All Records Related to Reporting Required by 40 C.F.R. Part 60 Subpart OOOOa”.